

HOUSE BILL 264

By Lollar

AN ACT to amend Tennessee Code Annotated, Title 49, Chapter 3, relative to school finances.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 49-3-1003, is amended by deleting subsection (c) in its entirety and by substituting instead the following:

(c)

(1)

(A) In counties which have special school districts operating schools, the trustee of the county shall pay over to the special school district, provided such school district has a bonded treasurer, that amount of the funds which shall bear the same ratio to the entire amount arising from the provisions of this part as the average daily attendance of the year ending June 30 next preceding the sale of the bonds of the respective special school district bears to the entire average daily attendance of the year ending June 30 next preceding the sale of the bonds of the county; provided further, that the funds paid over to the special school district shall be kept separate from all other funds in the manner and for the purposes herein provided for the county funds to be used.

(B) The governing body of such special school district may, by resolution regularly adopted, waive its right to all or a part of any funds

due to it under the provisions of this subsection and return the funds to the trustee of the county for the purposes originally provided.

(2) In counties with a population of eight hundred thousand (800,000) or more, according to the 2000 federal census or any subsequent federal census, bond funds shall be allocated to a school district only if a facility for which the bonds were issued is located in that district.

SECTION 2. This act shall take effect July 1, 2007 , the public welfare requiring it, and shall apply to bonds issued after that date.